



TREASURER-TAX COLLECTOR

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DAN McALLISTER
TREASURER-TAX
COLLECTOR

LISA MARIE HARRIS
CHIEF DEPUTY
TREASURER

TREASURY OVERSIGHT COMMITTEE MINUTES OF MEETING November 13, 2007

ATTENDANCE:

PRESENT:

Members:

Barry I. Newman, Public Member, Chairman
Dan McAllister, Treasurer-Tax Collector
Helen Robbins-Meyer, Assistant Chief Administrative Officer
Tracy Sandoval, Asst. Chief Financial Officer, Auditor & Controller
Vernon Evans, Public Member, Treasury Oversight Committee
William A. Kowba, Chief Financial Officer, S.D. Co. Unified,
School District
Chris Zapata, Public Member, Treasury Oversight Committee
Wilmer Cooks, Public Member, Treasury Oversight Committee
Annette Hubbell, Public Member, Treasury Oversight Committee

Ex-Officio

Members

Donald Steuer, Chief Financial Officer

ABSENT:

Renee Wasmund, Public Member, Chief Financial Officer, SANDAG
Lora Ducyk, Asst. Superintendent, S. D. County Office of Education

County Staff:

Lisa Marie Harris, Chief Deputy Treasurer, Treasury Division
Rob Castetter, Chief Investment Officer, Treasurer-Tax Collector
Mark Van Den Herik, Investment Officer, Treasurer-Tax Collector
Orgia Senior, Administrative Secretary IV, Treasurer-Tax Collector
Michelle Durgy, Investment Officer, Treasurer-Tax Collector
Bill Smith, Sr. Deputy County Counsel
Rachel Witt, Deputy County Counsel

Guest:

John Karevoll, Analyst, Data Quick Information System

CALL MEETING TO ORDER

Chairman, Mr. Barry Newman, called the meeting to order at 10:15 a.m. in Conference Room 162 of the County Administration Center. A short break was taken for committee members to take group photographs.

The meeting reconvened at 10:35 a.m. and Mr. Newman asked for a unanimous consent to revise the agenda for a committee member who had to leave early. Such a motion was made, seconded and approved by committee members.

REQUEST BY PUBLIC TO ADDRESS THE TREASURY OVERSIGHT COMMITTEE ON ANY MATTER WITHIN THE COMMITTEE'S JURISDICTION

There were no comments from members of the public for the Treasury Oversight Committee.

1. APPROVAL OF APRIL 25, 2007, MEETING AGREEMENTS/ACTIONS AND MINUTES.

Mr. Newman asked for a motion to approve the minutes from the last meeting on April 25, 2007. Such a motion was made and seconded for approval of the minutes by committee members.

2. SAN DIEGO COMPREHENSIVE ANNUAL FINANCIAL REPORTS (CAFR) FINDINGS

Mr. Anthony Neequaye, Sr. Auditor, Macias & Gini, gave a report on the following Auditor's two findings for the Comprehensive Annual Financial Reports (CAFR):

- (1) Lack of approval for signatures for internal controls.
- (2) Need for non-reconciled items to be written off.

In response to the two findings, Ms. Harris reported management's response.

- (1) Corrective action was taken.
- (2) Treasury management developed a write-off policy that was reviewed by Macias and Gini. Treasury Management has written-off the two items noted by Macias & Gini.

New Staff Introduced:

Mr. McAllister introduced three new employees in the Treasurer-Tax Collector's

office: Ms. Rebecca Shobe, Accounting Manager; Erik Mezack, Assistant Treasury Manager, and Michelle Durgy, Investment Officer.

3. **REVIEW AND APPROVAL OF 2008 INVESTMENT POLICY**

Ms. Lisa Marie Harris reviewed the 2008 Investment policy with committee members. She reported that the Investment Policy is in compliance with State Code. Ms. Harris stated that the Oversight Committee annually reviews and recommends updates for the Investment Policy to ensure not only that it is in accordance with California Code, but that it is consistent with prudent investment standards. Ms. Harris mentioned that there are no significant changes in the policy. She indicated that there was a California code provision that has been adopted by the Cedars Program. She explained that the Cedars Program is a deposit account registry service program that allows banks to get FDIC insurance for investing amounts over \$100,000. Investments are up to \$10 million dollars and have been approved by FDIC.

Such a motion was made and seconded to recommend approval of the 2008 Investment Policy.

Contingency Plan

Ms. Harris stated that the Investment Office has a contingency plan in operation for disasters. She stated that there is a chapter in the Treasurer's Investment Manual that addresses the contingency plan.

Mr. Rob Castetter reported that the contingency plan was very effective during the fires in October, 2007. The Investment Office was able to invest money daily

because of the plan. Standard and Poors reviewed the plan and was very impressed by it.

4. **TREASURER'S PROJECTS**

- **Local Banking Initiative**

Dan McAllister reported that the Investment Office has achieved their five year goal in 22 months of investing \$100 million in 18 local/regional banks. Mr. McAllister indicated that the Banking Initiative will contribute to the local economy. This will allow the local banks to raise funds. This can be achieved while maintaining the safety and liquidity of the County's pooled money funds and produce a respectable rate of return.

- **RFSQ Broker/Dealer**

Ms. Lisa Marie Harris reported that the Investment Office will be adding new broker dealers to their list during the first quarter of 2008.

- **Increasing Voluntary Participation in County Pool**

Mr. McAllister reported that he met with Supervisor Ron Roberts regarding increasing the Voluntary Pool Participation. Mr. McAllister also met with Ms. Rene Wasmund, from SANDAG, to discuss whether her office would like to re-enter the Investment Pool.

- **Annual Standard and Poor Due Diligence Update**

Mr. McAllister announced that the Treasurer's Office met with Standard & Poors and affirmed the County Pool's AAAsf rating.

5. **SAN DIEGO COUNTY REAL ESTATE UPDATE**

Mr. John Karevoll, Analyst, Data Quick Information System reported on San Diego County Real Estate. Mr. Karevoll gave a power point presentation on home sales in San Diego, the median sales price on homes, the typical mortgage payment, and foreclosures in the county.

6. The meeting adjourned at 12:15 p.m.

The next meeting will be held on Wednesday, July 23, 2008 at 1:30 PM.

Minutes taken by Orgia Senior